THE WEEK THAT JUST WAS

VOL. 1. NO. 4. (to November 22, 1998)

BB=Bilderberger CFR=Council on Foreign Relations M=Mason RS=Rhodes Scholar
TC=Trilateralist S&B=Skull & Bones

GOVERNORS GEORGE AND JEB BUSH MAKE JOINT NEW ORLEANS APPEARANCE

The AP (Nov. 19) reported a "whimsical news conference" by the "bantering Bush boys" in New Orleans as 31 GOP Governors gathered. George Walker Bush (S&B 1968). jabbed a finger at his brother and told a reporter: "Throw him the tough questions! He's new on the national scene. See what he can do." Jeb Bush said his older brother would make an "awesome candidate."

Among posturing Bush opponents is Gary Bauer head of the Family Research Council who would run as a "Reagan Republican." Others in the wings include Wisconsin Governor Tommy Thompson, NY Governor George Pataki and Pete Wilson of California.

VISIT TO ISRAEL ANNOUNCED BY THREE GOVERNORS

Friday Methodist Texas Governor George Bush said he and his wife Laura will visit Israel later this month. The trip will be hosted by the National Jewish Coalition a GOP-aligned group. He was quoted: "It is the Holy Land, and...Israel is a longtime friend of the United States. Obviously its an area of international focus, and I want to learn more about it." The Governors of Massachusetts and Utah will also make the trip. Bush's staff has denied that meetings with Ariel Sharon and Ezer Weizmann have already been scheduled in Israel.

DADDY BUSH ENJOYS BARRICK GOLD LUNCH IN WASHINGTON

An associate quoted Father Bush this week: "The boy is running." On Thursday, according to the Washington Times, former President George Herbert Walker Bush (CFR/S&B 1948/TC) enjoyed a private off-the-record Washington D.C. lunch with the Barrick Gold International Advisory Board. Bush is Honorary Senior Advisor to the board which advises one of the world's richest gold mining companies. Brian Mulroney, Former Prime Minister of Canada, is chairman of the advisory board. Members include Republican Senator Howard H. Baker, Jr. (CFR) and close Clinton advisor Democrat Vernon Eulion Jordan, Jr. (BB/CFR/TC) Jordan, who has ten public directorships (including American Express, Bankers Trust, Dow Jones, J.C. Penny, Revlon, Ryder System, Union Carbide, Xerox and Sara Lee), gets a total of about $1.1 million per year in compensation with some $212,000 from Calloway Golf. According to the Crystal Report, the golf stock has declined from $35.82 per

share in July 1997, when Jordan joined the board, to $10.81 per share on September 28.

On September 30, commenting on George Soros (BB/CFR) and his losses in Russia, Barrick Chairman and CEO Peter Munk told Reuters: "George was pitching the (United States) Congress to step in and help Russia." "He was talking his book. He has billions of dollars of investments. If I had that I would also threaten and cajole and use all my power to persuade the Congress to step in there. Who wouldn't?" Soros's pro-IMF bailout testimony was missing in the Austin American-Statesman.

FELLOW BONESMAN JOHN FORBES KERRY SOUNDING OUT PRESIDENTIAL BID

U.S. Senator John Forbes Kerry (D-Mass.) (CFR/S&B 1966) on Wednesday made his second trip to New Hampshire to sound out support for a presidential bid.

Kerry is married to Teresa Heinz, who inherited a fortune of $600 million, after Philadelphia Sen. John Heinz was killed in a plane crash near Philadelphia on April 4, 1991. Texas Senator John Tower was killed in a plane crash the following day. As chairman of the Heinz Family Foundation, she initiated the Heinz Awards. The annual winners in five categories each get $250,000. In 1994, the environmental winners were Paul and Anne Ehrlich. Kerry's wife is also a vice-chairman of the Environmental Defense Fund. She was one of ten representatives from non-governmental organizations attached to the U.S. Delegation to the U.N. Conference on Environment and Development (Earth Summit) in Brazil in 1992. An advocate for human rights and creative freedom, Mrs. Heinz was an original member and later a Co-Chair of Congressional Wives for Soviet Jewry. Now Mrs. Kerry, who is fluent in five languages, served as a full-time consultant to the United Nations Trusteeship in New York City. She is Chairman of the Heinz Awards Board of Directors, Chairman and CEO of the Heinz Family Foundation and Chairman of the Howard Heinz Endowment and Trustee of the Vira I. Heinz Endowment. She sits on the boards of the Carnegie Corporation, Brookings Institution, Georgetown University and the National Fund for the United States Botanical Garden. John P. Holdren is the Teresa and John Heinz Professor of Environmental Policy at the John F. Kennedy School of Government at Harvard University.

U.S. TRADE GAP DROPPED DOWN IN SEPTEMBER DUE TO PLANE EXPORTS

The U.S. trade deficit declined by $1.9 billion in September to $14 billion (down from an all-time high of $15.9 billion in August). Most of the trade gain was temporary and due to the sale of planes by Boeing. Boeing more than doubled its overseas shipments in September. A record $4 billion in civilian aircraft exports occurred in September. Excluding aircraft, U.S. exports were down for the 6th

consecutive month. U.S. agricultural exports fell in September to their lowest level since July 1994.

BANKERS TRUST TO BE TAKEN OVER BY GERMANY'S LARGEST BANK

On Saturday the New York Times said Deutsche Bank was close to acquiring Bankers Trust. It would be the largest takeover of a U.S. financial institution by a foreign bank. The Bankers Trust Corp. board is expected to meet today to vote on the $9 billion deal. In the third quarter, Bankers Trust lost $488 million.

JUBILEE 2000 COALITION CALLING FOR A DEBT-FREE START FOR A BILLION PEOPLE (EXCLUDING THE U.S.A.)

The clamor for debt relief is now increasing but the relief urged excludes us (the post-industrial and now primarily service-oriented U.S.) and would benefit the "developing" third world. In the absence of any well-organized pro-U.S. group, the U.S. "public" debt continues to grow but no one seems to question it on behalf of John Q. Public.

An international movement is calling for cancellation of unpayable debts by the year 2000. A Jubilee report in September said it would only cost two pounds per British taxpayer to cancel the debt of the 52 poorest countries. Ann Pettifor, director of the Jubilee 200 Coalition, stated "Britain is a special kind of Robin Hood, robbing both the rich and the poor. Britain demands that poor countries pay their debts at whatever cost, including children not going to school, yet Britain refuses to pay its debt to the United States." According to the U.S. Treasury, WWI allies still owe the U.S. for loans they took out during WWI. In 1934 the repayments were stopped and have never resumed. The debtors include Britain ($14.5 billion), France ($11 billion) and Italy ($3 billion).

Japan, behind closed doors, on October 29th, resisted pressures to block its debt relief for Bolivia from the Paris Club described by Jubilee 2000 Coalition as "a secretive cartel of creditors who meet regularly to discuss the debts of the poorest countries..."

On September 29, the Rev. Jessie Jackson wrote in the Los Angeles Times that the issue facing the IMF and World Bank annual meeting was "removing the enduring (debt) shackles" from the poor. He said that in 1996 Africa paid out $1.31 in debt service for every $1 received in aid. Jackson also quoted Pope John Paul II who has spoken out against "debt that is oppressing many countries of the world like a millstone."

Third world countries now owe about $1 trillion. Fletcher Prouty quoted Sir Henry Alfred Kissinger (BB/CFR/TC): "That money is gone, it's not going to come back!"

$20 BILLION POOR COUNTRY AID FUND ANNOUNCED BY WORLD BANK

On Thursday the World Bank announced that 39 countries had agreed to contribute $20 billion to provide financing to the world's most needy countries. The World Bank's International Development Association was established in 1960. The credits are only made to governments.

GRANDSON OF BREZHNEV OFFERING NEW PRIVATE PROPERTY BRAND OF COMMUNISM

From 1964 until 1982 the late Leonid Brezhnev ruled Russia. Now his grandson, Andrei Brezhnev, who is being called a chip off the old block, the Soviet Bloc, is forming a political party which plans a place for private property in Russia. Initiatives for the private ownership of farms have been blocked in the Soviet Duma where the basic hard-line position is that the government should own everything. While Russians do have small plots of land which provide as much as half their food, collective farming is still the rule in the countryside. The fledgling founder of the All-Russian Communist Social and Political Movement said concerning communism: "Our task is to make communism more attractive to people."

MAYOR OF MOSCOW LAUNCHES POLITICAL PARTY

Moscow Mayor Yuri Luzhkov, in a secret Thursday address to 200 allies, said: "Foreigners have infiltrated the management of the country, up to the highest levels." He accused the Russian government of "servility to foreign advisers" and said the nation was losing its sovereignty as foreigners dictated "economic and managerial decisions ...taking advantage of the huge foreign debt." Russia's foreign debt was estimated at $200 billion including the debt inherited from the Soviet Union.

WOULD-BE RUSSIAN PRESIDENTIAL CANDIDATE MURDERED

On Friday Galina Starovoitova, 52, one of the most prominent women in the lower house of Russia's Parliament, was shot to death in St. Petersburg. She died instantly from being shot three times in the head by two attackers as she entered her apartment in Russia's second-largest city. Her aid, Ruslan Linkov, was also seriously injured. Starovoitova was an outspoken liberal lawmaker who planned to run for president in Russia's next elections. She was a leader in recent weeks of the campaign to censure Albert Makashov for repeated anti-Jewish remarks. Last week a finance official's car was bombed and a top unnamed banker was killed.

RUSSIANS REMAIN DESPERATE FOR MORE IMF MONEY

As IMF officials returned to Moscow, Deputy Prime Minister Yuri Maslyukov warned that Russia, in the absence of more foreign money, was facing a "national catastrophe." Russian Prime Minister Yevgeny Primakov pushed Moscow-visiting German Chancellor Gerhard Schroder for more IMF loans. Germany is Russia's biggest creditor. Similar Russian loan pleas were made to Vice-President Al Gore, Jr. (CFR) at the APEC Malaysia summit.

YELTSIN SKIPS INDIA TRIP, SAID TO RESEMBLE A "ROBOT"

Yeltsin, who met the German Chancellor on Tuesday, bowed out of a planned December armaments-selling trip to India (Primakov will make the trip in his place). Japanese officials said Yetsin looked "like a robot"

RUSSIAN SECRET SERVICE OFFICERS HOLD BIZARRE NEWS CONFERENCE BUT YELTSIN ORDERS FSB INVESTIGATION

A group of mid-ranking Russian secret service officers went public at a new conference alleging that they had been ordered to kill influential businessmen. They added that murder, kidnapping and extortion was now common within the former KGB. On Friday Yeltsin ordered Vladimir Putin, the head of Russia's Federal Security Service (FSB) (formerly the KGB), to investigate reports of illegal activities including reports it ordered the death of a prominent businessman. Lt. Col. Alexander Litvineko said last spring that he was ordered to kill business mogul Boris Berezovsky.

YELTSIN DENIES OWNERSHIP OF STATE TV STATION SHARES

Yeltsin denied reports that he had received more than 25% of the shares in Russia's largest TV station from Berezovsky. On Wednesday a communist member of Parliament said that Berezovsky had given power of attorney over 26% of the shares of ORT to Yeltsin's bodyguard, Alexander Korzhakov, in 1994. ORT, which is fighting bankruptcy proceedings, is 51% government owned with the remainder held by Berezovsky and other private investors. On Friday ORT News was chopped to three minutes after its film crew vehicles were temporarily seized by bailiffs.

YELTSIN AND STEPASHIN MET TO COMBAT ETHNIC HATRED

Thursday Yeltsin met with Interior Secretary Sergei Stepashin to discuss police efforts to combat extremism and ethnic hatred in Russia.

MORE AID NEEDED TO DECOMMISSION MORE RUSSIAN NUKES

U.S. Senator Carl Levin (Demo-Mich.) said in a Moscow news conference that more U.S. cash was needed to help Russia decommission nuclear weapons. Senator Richard Lugar (RS) and former Senator Sam Nunn (BB) joined Levin in Moscow.

Lugar and Nunn founded the Cooperative Threat Reduction Program which has provided more than $2 billion to former Soviet states since 1991. Both Lugar and Nunn are associated with the Aspen Institute. Nunn is also a Carnegie Corporation Trustee and senior partner of King and Spaulding.

RUSSIA LAUNCHES 24-TON SPACE STATION MODULE BUILT WITH U.S. FUNDS

The launch of the unmanned Zarya (Sunrise) module, on Friday, boosted Russian spirits as the the $60 billion 16-nation International Space Station begins which will be under U.S. control. On December 3 the Unity connecting module will be delivered by the American space shuttle Endeavour. The U.S. is picking up $24 billion of the total space station's tab.

RUSSIA MAY BECOME OIL IMPORTER

On Friday First Deputy Prime Minister Yuri Maslyukov, a communist in charge of the economy, said Russian oil production, one of the country's few hard currency exports, has been falling for 10 years and that Russia is in danger of becoming an oil importer. The Russian oil industry is plagued by old and inefficient equipment, corruption and lack of funds. Before the breakup of the Soviet Union, Russia was the world's largest oil producer. But in the last ten years production has been almost halved to just over six million barrels per day. The Russian production decline was halted in 1997 after considerable capital investment. Oil prices are down 30% so far this year. Maslyukov held talks Friday night with a visiting IMF mission.

GAZPROM PROFITS EXPECTED TO PLUMMET

The world's largest monopoly natural gas company, Gazprom, is expected to report a first time loss in 1998 after a $6.5 billion net profit in 1997. The company, which accounts for about 95% of Russia's total gas production, supplies about a quarter of the gas consumed in Western Europe. Lavrenti Vyakhirev is the Russian executive who oversees the operations of Gazprom and Lukoil, the giant Russian gas and oil combines. Gazprom was valued at $3.4 billion in a 1993 World Bank study. But later it was said to have been sold in Moscow to an anonymous bidder for $228 million--less than a tenth of its lowest projected market value. The hidden partners supposedly were David Rockefeller and then Russian Prime Minister Chernomyrdin.

In late November 1997 reduction of the 40% government stake was discussed. In December 1997 it was said that Gazprom hoped to raised $9-12 billion by the end of 2000 through American Depository Shares, convertible bonds, secured and unsecured loans and Eurobonds.

Its Russian tax debts as of July 1, 1998, were $1 billion not counting penalties for late payments. Then Russian P.M. Sergei Kiriyenko threatened to seize the company's assets and to reassert control over its board. In July of 1998 it was announced that $2 billion would be raised by a sale of shares to the Italian oil concern ENI and the Royal Dutch/Shell Group. On October 14 a $2 billion loan from Italian banks was announced to finance the "Blue Stream" pipeline from Russia to Turkey. On November 17th Reuters announced that Gazprom would sign a major deal with LUK oil Russia's largest oil producer. LUK oil VP Leonid Fedoun said Tuesday that joint projects with American oil companies are being discussed: "The main thing is American companies have not lost their interest in Russia because of the (financial) crisis."

On Tuesday the AP reported that Gazprom is contemplating building a $15 billion natural gas pipeline to China with a possibility of extending it to Japan. Gazprom President Rem Vyakhirev told Russian journalists at the APEC summit that the pipeline would take four years to build and would deliver 39.2 billion to 49.7 billion cubic yards of natural gas for 30 years.

Gazprom pulls in an estimated $6-7 billion a year in hard currency exports.

NO INCOME OR NATION OF NON-FILERS?

In 1997 only 5 million of Russia's 147 million citizens filed income tax declarations.

RUSSIAN COMPANY WILL BUILD OIL REFINERY IN VIETNAM

On Thursday two state-run oil companies announced the signing of a contract to build the first oil refinery in Vietnam. The contract between Russia's Zarubezhneft and Vietnam's Petrovietnam was signed in Hanoi. Total investment in the project, which will begin production by 2001, was estimated at $1.3 billion. 1.88 billion gallons of crude will be handed annually. Hanoi will host a meeting of Asian leaders on December 15-16th. China, Japan and South Korea have been invited.

ZEMIN WILL VISIT RUSSIA AND JAPAN

Chinese President Jiang Zemin will be in Russia from November 22 to 25 for a summit with Yeltsin. He will also meet with P.M. Yevgeny Primakov and with leaders of the State Duma. China is angry at the U.S. because the White House allowed the Dalai Lama to visit Washington and also because of Bill Richardson's trip to Taiwan last week. Russia and China now have a "strategic partnership" and hope for $20 billion in trade by 2000. Joint plans include a pipeline to funnel natural gas to China and the construction of a Russian-designed nuclear power plant in eastern Jiangsu province. Zemin will visit Japan next week. Jiang will seek an apology for Japan's WWII aggression. China is Japan's 2nd-largest trading

partner and Japan is China's largest with an annual trade volume of more than $60 billion.

RUSSIAN BANKS TO TAKE A BIG HIT

Paul E. Erdman of CBS Market Watch (Nov. 17) said that half of Russia's banks (about 720) will face a chainsaw massacre as the end of the August 17th 90-day moratorium on the servicing of foreign debt comes to an end. An additional $7 billion will be written off. $1 billion will be loans to Russian banks that are now closed while $6 billion will apply to forward foreign exchange contracts. Erdman commented that in view of the down-grading of Japanese sovereign debt by rating agencies "it should be clear to all that the lull we have enjoyed in the global financial/ economic crisis is just that."

LONDON TALKS MAY RESULT IN RUSSIAN RESUMPTION; REFORMERS BLAMED

On Thursday the AP reported that a joint statement was issued by the Russian Finance Ministry and Deutsche Bank which agreed in principle on repayment of debts. The statement followed three days of talks in London with creditors holding Russian Treasury bills and bonds that were to mature between August 19, 1998 and December 31, 1999. The Russian government owes about $10 billion to foreign banks while Russian banks owe about $7 billion. Russian Prime Minister Yevgeny Primakov put the blame on liberal reformers who lost power earlier this year. He said they failed to boost productivity and "ruined the Russian banking system, didn't give a damn about their foreign liabilities and imposed a motorium on (foreign commercial debt) payments." Deputy Finance Minister Mikhail Kasyanov told Reuters Television that Russian would be able to repay less than $10 billion out of $17 billion in foreign debt due in 1999.

RUSSIANS PUT IMF MONEY IN WESTERN BANKS

An article in the Independent (London, 8-29-1998) stated that a retired Russian KGB General told a conference last year that one trillion dollars had been taken out of the country since 1989. Western sources estimate that Russians have spirited out about between $120 and $200 billion since 1990. Total Russian debt is now about $194 billion.

ARAFAT SAYS GUNS ARE READY BUT THEN MEETS WITH SELECT GROUP OF ISRAELI JOURNALS AND ADDRESSES THEM IN FLAWLESS HEBREW

Last Sunday Arafat told Fatah supporters in a Voice of Palestine radio address "our guns are ready and we will use them if they stop us from praying in Jerusalem." Arafat also stated: "We will declare our state on May 4 next year. This is our right." But Monday Arafat told reporters he was still committed to peace. And Arafat, for the 1st time, met with a select group of Israeli journalists.

According to the Nov. 13th edition of the Jerusalem Post "it seems Yasser Arafat has finally decided to sell himself to Israelis." The Post said Arafat spoke "in flawless Hebrew" in his "first real briefing to Israeli journalists." He promised a 100% effort in combating terror.

SHARON TELLS ISRAELIS TO GRAB ALL THE LAND THEY CAN

Meanwhile Foreign Minister Ariel Sharon urged Jewish settlers to grab land in the West Bank: "Everyone there should move, should run, should grab more hills, expand the territory. Everything that's grabbed will be in our hands; everything that we don't grab will be in their hands."

WYE ACCORD APPROVED BY ISRAELI CABINET AFTER ARAFAT COMPLIES

The Wye accord received a 75-19 favorable vote (with nine abstentions) in the Israeli Parliament Wednesday. Prime Minister Benjamin Netanyahu, who has now been given a "safety net" for the three-month peace accord, has a narrow 61-59 majority coalition in the 120-member Knesset.

A meeting of the Israeli cabinet was postponed from Wednesday to Thursday. A statement from Netanyahu's office said Israel wanted assurances that the Palestinians had published a decree against anti-Israel incitement and another against possession of illegal weapons.

DECREES AGAINST INCITEMENT AND ILLEGAL WEAPONS ISSUED AS ARAFAT MAKES HIS INITIAL DETENTION QUOTA

On Thursday the cabinet approved the first withdrawal of troops from the occupied West Bank in nearly two years. A senior aid to Arafat announced a presidential decree banning incitement to violence. Danny Naveh, the Cabinet Secretary, said that the Palestinians had also given details of a legal framework for banning illegal weapons. Arafat by Thursday had already detained 12 of 30 anti-Israel suspects that will be arrested in three stages.

NO INVENTORY TO BE MADE OF PALESTINE AUTHORITY WEAPONRY

A November 18 interviewer of Arafat spokesman, Marwan Kanafani, asked whether the order about weaponry included provisions to take inventory within the PA forces to insure that there wasn't any equipment beyond that allowed by the Wye agreement. He could not say one way or another.

ARAFAT CALLS ON YASSIN TO DECLARE AN END TO TERRORISM

Abdel-Rahim said that talks with the Hamas leadership had begun--calling on them to instruct their fugitives to turn themselves in to the PA. According to IsraelWire (Nov. 19), Arafat met with Hamas leader Sheik Ahmed Yassin (who has been under

house arrest since October 29) and urged him to make a public call for an end to terrorism. Yassin refused, saying: "If I were to make such a call and tomorrow we would need to take up arms again, what would I say to them? To make a public call through the media is as if I'm giving up the armed struggle, and that I'm not prepared to do." Yassin said in June, upon returning to Gaza, that according to the Islamic Koran, Israel will disappear. In August he threatened revenge upon Israel in retaliation for the U.S. cruise missile strikes on Sudan and Afghanistan. Hamas, according to IsraelWire (Nov. 20) "has repeated calls for the continuation of terror attacks against Israelis wherever they may be."

LEAFLET SAYS TERRORIST WAR AGAINST ISRAEL WILL CONTINUE

A leaflet circulated Thursday, issued in the name of Hamas, that said: "Our holy fight and struggle against the Zionist occupation is an open holy fight and a continuous resistence that will not stop -- ever." It also said that only Ibrahim Gosheh, a Hamas spokesman in Jordan, could speak for the movement. A Gaza Hamas leader, Ismail Abu Shanab, cast doubt on the authenticity of the leaflet: "We deny that the leaflet was issued by any of the movement's agencies, political or military."

CONFISCATIONS OF ILLEGAL ARAB WEAPONS WILL BEGIN ON DECEMBER 6

Palestinian police will begin confiscating illegal weapons on December 6 (next Sunday) in compliance with the detailed timetable of the Wye accords which President Clinton (BB/CFR/RS/TC) co-signed. Police Chief Ghazi al-Jabali told Reuters on Wednesday: "We will start next week collecting all illegal weapons in all Palestinian areas. We will be implementing the Palestinian law." The new law bans the purchase, import, manufacture and unlicenced sale of weapons and carries a three-year jail term with fines of about $7,500.

MOSTLY COMMON CRIMINALS RELEASED

Friday 250 Palestinian prisoners, mostly common criminals, were released by Israel. The action came despite demands by the PA that all those released be Palestinians who had served long terms for fighting Israeli occupation.

LOAN TO BE MADE TO ARAB NEWSPAPER BY WORLD BANK ARM

The International Finance Corp., an arm of the World Bank, is planning to loan almost $2 million to a West Bank company whose Arab-language newspaper, Al-Ayyam, has run columns critical to the U.S. and Israel. Spokesperson Brigid Janssen said the project of assisting media was "not unusual for us."

U.S. EXPECTED TO PUT UP FUNDS FOR WEST BANK PULLOUT

Finance Minister Yaacov Neeman flew to Washington today to lobby Congress to finance Israel's pullback from parts of the West Bank. A Treasury spokesman said the amount requested will be between $1.2 and $1.6 billion: "We are not disclosing details; it's very sensitive."

PARIS PROFESSOR IDENTIFIES MOST VIOLENT MUSLIM GROUP

According to Xavier Raufer, a University of Paris terrorist-tracking Professor, the most violent fundamentalist Arab group is the Salafiya (Vanguard That Takes Its Cue From The Pious Forebearers) composed of non-card-carrying believers in Islamic ideals. The Chicago Tribune also said this group is believed to be linked to the 1996 Khobar Towers bombing in Saudi Arabia and may have been involved with many other lesser known, but still deadly, attacks. Both Al Jihad and al Gamma are offshoots of the 70-year-old Muslim Brotherhood which was founded to oppose secular rule in Egypt.

CASE CLOSED ON OSAMA BIN LADEN

A three-week inquiry by Afghanistan's Chief Justice Noor Mohammed Saqib concluded that Saudi billionaire Osma bin Laden was "a man without sin." Two weeks ago a $5 million reward was offered for the capture of bin Laden who was thrown out of his homeland for advocating the ouster of the Saudi royal family.

LEFT-LEANING EUROPEAN FINANCE MINISTERS WILL URGE ACCOUNTABILITY FOR EUROPEAN CENTRAL BANK

A power struggle has already broken out before the debut of the Euro between European finance ministers and the ECB which will set monetary policy across the eurozone of 11 countries after January 1, 1999. According to Tuesday's Financial Review, the 11 left-leaning ministers "fear a euro run by unaccountable bankers intent on pursuing inflation targets rather than boosting growth and jobs."

BIS CHOOSES FORMER CHASE MANHATTAN'S SLEEPER AS HEAD OF THE BANKING DEPARTMENT

A Nov. 9 press release by the Bank for International Settlements (the central banker's bank) announced that Mr. Robert D. Sleeper, will replace Malcolm Gill on February 1 as Head of the Banking Department. Sleeper was Managing Director of the Foreign Exchange Hedge Unit of Chase. Besides his 17 years at Chase, Sleeper, who received a Ph.D. in Economics from Oxford University, spent six years at the Federal Reserve Bank of New York Meanwhile, Andrew Crockett has been given a second 5-year term as General Manager of the Bank for International Settlements. William J. McDonough (BB/CFR) now sits on the BIS board. Alice Mitchell Rivlin (CFR/TC) and Edwin M. Truman (CFR) are alternates.

Under the January 1930 Hague Agreements, the Switzerland- chartered BIS is an international organization governed by international law. While 86%of the Bank's issued share capital is registered in the names of central banks, the remaining 14% is held by private shareholders. According to Charles Higham, in TRADING WITH THE ENEMY, BIS "was a joint creation in 1930 of the world's central banks, including the Federal Reserve Bank of New York. Its existence was inspired by Hjalmar Schacht, Nazi Minister of Economics and president of the Reichsbank." Higham added that the central banker's bank became "a money funnel for American and British funds to flow into Hitler's coffers and to help Hitler build up his war machine."

On April 13, 1930 "Athurian" wrote an article titled "Mammon Being Enthroned" in the Referee. He said of BIS: "The opening for chicanery, brute force, bribery, corruption and war, in the supposed solution of this problem, is unprecedented in the history of the world." On April 23, 1930, with instructed delegates, the International Bank at Basle, "commissioned to enroll the central banks of nine nations in its membership, was founded." The chairman of the board of directors was Mr. Gates McGarrah with Mr. Leon Frazer as his deputy and Sir Charles Addis and Dr. Melchior as vice-chairman. McGarrah was the grandfather of CIA Director Richard Helms.

The Bank for International Settlements is the most exclusive, secretive and powerful supernational club in the world. Clinton mentor Carroll Quigley described the BIS as the apex of the system of financial control: "The powers of financial capitalism had another far-reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole. The system was to be controlled in a feudalistic fashion by the central banks of the world acting in concert, by secret agreements arrived at in frequent private meetings and conferences. The apex was to be the Bank of International Settlements in Basel, Switzerland, a private bank owned and controlled by the world's central banks which were themselves private corporations."

The bank's privileges included being tax-free, immunity from seizure for its assets and deposits in peace or war, with no restrictions on its export and import of gold or currency. It was to last for at least 50 years and to meet at least ten times a year--four times to be in Basle. Requests for interest-free currency were suppressed by a conspiracy of silence.

The central bankers of the ten major industrial nations meet at the BIS on the second Tuesday of every month (except in August and October) to discuss the problem of the month in international banking. BIS "provides a forum for central bankers, handles international monetary transactions, takes deposits from central

banks worldwide and monitors the scale and scope of banks' lending and borrowing activities. It is virtually the only forum where the world's central bankers can get to know each other and discuss problems without producing a panic. Under the so-called Basel rule, there are no press briefings before or after the meetings and central bankers are expected to avoid all contact with journalists while in Basle.

JFK UPDATE

A CBS poll shows that 10% believe Oswald acted alone. 76% disagree. James Angelton of the CIA was the chief JFK investigator. His records and the Secret Service files have been destroyed. The White House is now pursuing release of the KGB's JFK files at the highest levels of the Soviet government.

BLAIR SAYS OLD ENGLAND DAYS ARE OVER

Tony Blair of the New Labor Party stated this week: "The Britain of the elite is over." He is appointing 33 people to serve on Panel 2000 which will do a makeover on England's image.

SEAGRAM SHAKEUP

Frank Bioti of Universal Studio is out and Ron Meyer is his replacement. Seagram stock fell on the news.

CENDANT SOLD OFF SOFTWARE UNIT

Cedant Corp. went from buyer to seller this week. It sold its software unit to the French media company Havas SA (a subsidiary of Vivendi SA) for $1 billion. Chairman and CEO Henry Silverman said: "No cow is sacred." Cendant stock is trading 60% lower since April. Silverman believes the U.S. economy is slowing and that there will be no increase in consumer spending in 1999. Meanwhile the Fed is reporting that banks are tightening their lending standards to the 1990 level.

SLOW GROWTH AHEAD SAYS MERRILL LYNCH ECONOMIST

Bruce Steinberg, Chief Economist for Merrrill Lynch told Moneyline Friday that there are mixed signs but the direction indicates slower U.S. economic growth. He predicts a 1.5% GDP growth in 1999 with earnings down 5% and a mild credit crunch. A rate cut at the Dec. 22 FOMC is unlikely. Steinberg also said the Spring 1989 easing by the Fed was followed by a recession in the summer of 1990. The target rate for overnight loans between banks is now 4.75%.

WALL STREET WEEK

On Wall Street Week (Nov. 20) Louis Rukeyser said the DJIA had the best six weeks ever since the start of the current Bull market in 1982. The market is up 18% since October 8 at 9159.55. It is at the highest level since July 31 and went up 239.96 points this past week. The NASDAQ is up 20% for the year. The Fed has cut the interest rate three times in seven weeks.

Ralph Acampora, Managing Director of Prudential Securities Inc., said that while Blue Chips were down in August they are now leading the market. He likes Johnson and Johnson, Eli Lily, Texas Instruments and Philip Morris.

Brian C. Rogers, managing Director of T. Rowe Price says there will be some short-term consolidation but the DJIA will hit 10,000 some time next year. He likes Starwood Lodging, Unical and Bank America.

Barbara Marcin, Senior Portfolio Manager of Citibank Global Asset Management, said that December and January are traditionally strong months and she was surprised by Alan Greenspan's hint of still more rate cuts ahead. She likes American Home Products and Martin Marrieta Materials.

Thomas F. Marsico, Chairman and CEO of Marsico Capital Management, has beaten the S&P 500 by 4% a year over the past decade. He was manager of the Janus 20 Mutual Fund but went solo in 1997 to launch the Marsico Focus Fund up 34% this year so far after some volatility. He is managing $3 billion now and said August was the second worst month for equity funds in 32 years. His Focus Fund has only 25 stocks while he has 35-45 stocks in his growth and income fund. His picks include GM and Citigroup. On the internet he likes EMC, Cisco and Lucent. He also sees good times ahead for airline stocks.

ROBERT RUBIN UPPED. GREENSPAN?

A Monday Wall Street Journal article cast doubt on the mammoth Citigroup merger. The NY times (Oct. 5) reported that Greenspan (CFR/TC) was in favor of the superbanking corporation bill while Robert E. Rubin (BB) was opposed.

FED HAS ORDERED PRINTING OF MORE FEDERAL RESERVE NOTES

Myron Kandel said Friday that that the Federal Reserve has ordered the printing of an additional $50 billion in U.S. Federal Reserve notes the total printed is a 30% increase over the $170 billion that was printed last year.

MALAYSIAN HOSTS GASP AT GORE'S REMARKS

While announcing a new $10 billion Asian aid package Monday, Gore also called for democracy and reform for the "brave people of Malaysia." Rafidah Aziz, Malaysia's Trade Minister, called Gore's speech the most disgusting he'd heard in

his life. Gore said "political freedom" was "a key component of economic growth." Malaysia's P.M. Mahathir Mohammed has blamed American financial interests, led by George Soros, for bringing down Asia's currencies.

C. Fred Bergsten (BB/CFR/TC) said that APEC said the right words but took no action. The U.S. is threatening trade sanctions on steel and bananas but Bergsten said if we restrict imports it will be harder to tell other countries that are in even weaker positions to not do likewise.

CLINTON DRINKS TEA WITH JAPAN'S EMPEROR

After waiting twenty minutes to disembark because of Japanese protocol, President Clinton, accompanied by Lawrence Summers (BB/CFR), in Japan on Thursday had two cups of tea with Emperor Akihito and Empress Michiko. A new $196 billion stimulus package was announced by Japan on Monday. It will include $49 billion in tax cuts with $147 billion in spending projects. A coalition between the Liberal Democratic Party with the Liberal Party is now likely to jointly draft the 1999 fiscal budget bill.

YEN DEFENSE FUNDS MULTIPLY

On Friday 41 foreign brokerages set up a 10 billion yen ($83.3 million) protection fund in Tokyo and hinted of a merger with a similar Japanese brokerage fund. On Tuesday the Japanese Securities Dealers Association will establish a similar 30 billion yen fund.

PORTUGAL MAY EXPEDITE SUHARTO

The Attorney General's office in Portugal is reviewing a request seeking the extradition of former Indonesian President Suharto for human rights abuses committed in East Tiumor.

UN SECRETARY GENERAL SAYS ORDINARY AMERICANS BLAMELESS

On Tuesday UN Secretary-General Kofi Annan said in a speech to the New York-based Foreign Policy Association, that globalization was political not just economic. He blamed Washington, rather than ordinary Americans, for the $1 billion still owed by the U.S. to the UN.

FIRST UN WAR CRIME VERDICTS ANNOUNCED

UN war crimes judges Monday handed down their first verdicts for atrocities committed during the Bosnian civil war in 1992.

CHINESE NAVY MAKES PHILIPPINE'S DEFENSE CHIEF NERVOUS

The Defense Secretary of the Philippines, after Chinese warships and cargo vessels were spotted around the Spratly Islands, called for a return of the U.S. presence that ended six years ago. The Philippine navy, with a few old patrol boats, is no match for Chinese warships.

ALL-APPOINTED WORLD COURT JUSTICES PUTTING ON THEIR GLOBAL-REACHING ROBES AS INTERNATIONAL CRIMINAL COURT GETS GOING

Idealistic elitist global visionaries simply adore the idea of world law reaching all across the planet and bringing every living human into complete and total compulsory global subjection. One size now fits all and those who administer such as system will be completely trustworthy for the job.

As the globalists conceived their well-hidden plans some decades ago, the primary planetary perpetrator to heap abuse on was border-crossing pollution. Now that the "you simply must" recycle programs have been firmly implanted and the pollution problem has been become unarguable, we now are entering a last period of no-escape for criminal fugitives who require a court of no-resort. In a dictator- filled world, there is a lot of material to work with to come up with examples of who to try next.

The treaty-law-making system involves a lot of time and negotiations but at last bears the most easy fruit if the U.S. Senate can be convinced to go along. For many decades now a bewildering variety of different measures have been enacted by this method just waiting for a panel of mostly foreign judges to read meanings into the words of treaties which now are said override the U.S. Constitution.

At the 1990 Global Forum in Moscow Mikhail Gorbachev and others called for an "an appropriate international policy in the field of ecology." In 1993 Christopher J. Dodd (CFR) introduced a resolution to create the ICC to combat "unlawful acts such as war crimes, genocide, aggression, terrorism, drug trafficking, money laundering, and other crimes of an international character." Gorby has since called for adding "ecological crimes" to the ICC's jurisdiction.

"The ICC would target those responsible for the worst human rights crimes personally. When tomorrow's tyrant contemplates genocide, war crimes or crimes against humanity, an effective ICC would make him think twice."-- Kenneth Roth, Executive Director, Human Rights Watch

After pushing through NAFTA, GATT, the WTO and vast new funding for UN "peacekeeping" operations, proponents of an International Criminal Court, fifty years in the making, are expecting a slam dunk due to virtually no organized opposition. Proponents included David J. Scheffer (CFR) who was appointed by Clinton as the first-ever Ambassador at Large for War Crimes Issues.

In 1995 Oxford University's OUR GLOBAL NEIGHBORHOOD: THE REPORT OF THE COMMISSION ON GLOBAL GOVERNANCE presented detailed plans for equipping the UN with taxing authority, a battle-ready military, an international criminal court with mandatory jurisdiction over individuals, and every other attribute of a fully-functioning world government.

Some 300 NGO (Non-Governmental Organizations) are behind the ICC. The president of the World Federalist Movement is none other than Sir Peter Ustinov. William R. Pace, the executive director of the WFA and principal convenor, has stated: "We are truly on a path in which this could be the last major institution established in the 20th Century, and one of the most important in all of history."

In July 1998 the ICC was approved by 120 nations, opposed by 7 (including Israel and the U.S.) There were 21 abstentions.

It is expected that the ICC will be located in The Hague, The Netherlands, the site of the International Court of Justice (World Court) and ad hoc International Criminal Tribunals. The Dutch government would like to see the treaty for the ICC come into force by 1999 on the occasion of the 100th anniversary of the First International Peace Conference.

CUBAN EXILE GROUP'S BID TO PROSECUTE CASTRO DENIED IN SPAIN

An effort to detain and prosecute Fidel Castro was rejected Thursday by a Spanish court.

BRITAIN SHOULD TRY PINOCHET SAYS UN TORTURE BODY

Thursday the UN Committee Against Torture, a committee of 10 independent legal experts who monitor compliance with the 1987 international convention against torture, stated that Britain could be in violation of international treaties (the anti-torture pact and the Vienna Convention on the Law of Treaties) if it decided against trying former Chilean dictator Augusto Pinochet. Pinochet is facing new charges as 19 bodies were found Thursday in a mass grave. More than 3,000 Chileans died or disappeared during Pinochet's rule. On Friday a Santiago group filed a lawsuit in Chile against Pinochet bringing the pending lawsuit total to 14 in Chile. The House of Lords law lords will rule on his fate on his 83rd birthday on November 25.

U.S. TO BEGIN GIVING REWARDS FOR CAPTURE OF INTERNATIONAL CRIMINALS

Little-noticed legislation authorizes $10 million in rewards for the capture of international criminals which Fox News said extends "for the first time to war criminals and incidents in which Americans are not victimized." The Clinton administration legislation was pushed through by Rep. Benjamin A. Gilman (R-N.Y),

Chairman of the House International Relations Committee, and by Rep. Tom Lantos (D-Calif.) and Sen. John Kyl (R-Ariz.). Lantos, the first Holocaust survivor elected to the U.S. Congress, also is a director of the International Rescue Committee.

20/20 DOES EXPOSE OF IRA SAMUEL EINHORN

He has been called "the Ugly American" and "Lady Killer." Last Sunday night newly listed CFR Member Diane Sawyer teamed with Barbara Walters (CFR) to hear a Connie Chung 20/20 special report on the French-harbored Einhorn.

Walters began the report by saying: "It is an outrage against U.S. justice and against a young woman who was brutally murdered." Ira Eikhorn organized the first "Earth Day" celebration in 1970. He attracted Helen "Holly" Maddux who moved in with him after two weeks and then disappeared in September of 1977. Her body was found 18 months later, on March 28, 1979, locked in his steamer trunk with his key. He stated: "I'm not going to allow her to leave me." Under questioning by Chung, he said it was the act of "one of the large intelligence agencies but I don't have the data." He spoke of large forces operating against him. Chung asked: "Large forces? What are you talking about?" Einhorn replied: "I'm talking about people who had the ability to do what they did."

When Einhorn was charged his bail was put up by his long-time supporter, Seagram-heiress Barbara Bronfman. She paid $4,000 in cash (10% of the face amount).

Before his trial he went to Ireland where there was no expedition treaty. He still went by his own name. His landlord kicked him out after finding out who he was. Einhorn still remained in Dublin for five years until he bumped into his landlord again on the street as a extradition treaty was about to be approved. He traveled to Spain, Denmark, Italy and Wales. When asked if he had been lucky, he said: "They've just been plain stupid." His Swedish wife, Annioka Flodin, told Chung he had never, ever been violent to her. Barbara Bronfman, who admitted financing him while on the run, let authorities known he was being hidden in Stockholm.

Einhorn got a call from Barbara Bronfman's boyfriend who told him: "You must leave within 24 hours." Interpol sent out his description and America's Most Wanted featured him. In the next five years the pair bounced from Sweden, Denmark to England. In 1993 they settled in what Chung called "a good place to hide from the law" in France. Holly's sister described his wife as "Cleopatra Queen of Denial." When asked about the trunk she replied: "For God's sake you take the body and you put her somewhere else."

Einhorn was tried in absentia in a nine-day trial.The jury found him guilty in two hours and gave him life imprisonment. On Friday the 13th in June of 1997, after she had applied for a French Driver's License, French police raided the home. 16 years on the run came to an end.

Then came a day in court that 20/20 said you couldn't believe could a fugitive hide behind the law? Although the U.S. and France had a long-standing extradition treaty, Einhorn was freed on December 4, 1997 by a panel of three judges because French law guarantees that anyone convicted in absentia a new trial. He told the judges he founded Earth Day in Philadelphia and had lectured at Harvard.

Under the law of Pennsylvania, Einhorn could not be tried again. The Pennsylvania legislature then passed a law giving Einhorn a new murder trial and a another hearing is set for December 1.

Chung said: "The one time prophet of peace and love, the man known for his social conscience, now is best known as the man with no conscience at all." He entered France under a false name and that is a crime. He could be deported to a country of his own choosing which could have no extradition treaty. She may have been guilty of harboring a fugitive but couldn't be prosecuted in the U.S. and Einhorn, if he loses the extradition case, can still appeal to the French supreme court. It could take at least two years for an appeal.

This story is very timely as the drum begins to beat to bring in fugitives and create the ICC.

NORTH KOREA BECOMING NEXT HOT SPOT

As Clinton visits the troops in South Korea, the U.S. believes the world's last Stalinist regime is reneging on a 1994 deal. Robert Manning, identified as with the Council on Foreign Relations, said on Friday's CBS News "While we were feeding them they were building new missiles." North Korea, on August 31, tested a missile that can reach Alaska and plans another test soon. Madeleine Korbel Albright (CFR/TC) (who keeps a blue UN combat helmet perched over a bust of Adlai Stevenson in her office) said: "We are at a critical juncture." U.S. spy photos showed thousands of workers digging a massive complex. Special envoy Charles Kartman (CFR) said Thursday there was "compelling evidence" of an underground nuclear facility. One senior military official said the U.S. is prepared to go to war to prevent Korea from getting nuclear weapons. Another said a war would be "deadly, extensive and final." North Korea has asked for $300 million to permit access to the underground site. In 1994 the North halted its nuclear weapons program for a $5 billion Western commitment to build modern nuclear energy sources there. Clinton made a visit to the Sejong Culture Center after a state dinner to hear his younger brother Roger and his band perform.

OH HENRY VIII

L.M. Boyd noted this week that Henry VIII was the first king to be called "Your Majesty." The king also broke with the Pope, began the Church of England and in the process divided Catholic monasteries among his closest noble followers. In 1534 Henry VIII broke with the Church in Rome after it had excommunicated him. The Reformation was established by an Act of Supremacy which appointed the king and his successors Protector and only supreme head of the Church and Clergy of England. Henry VIII broke with the Roman Papacy and became the new Constantine and founder of the Anglican Church. Thomas Cromwell, a Venetian agent, was Henry VIII's business agent in the confiscation of the former Catholic monasteries and other church property. On July 6, 1535, Thomas More was beheaded by his order for refusing to swear an oath of supremacy. During his reign, the Act of 1543 forbade the reading of Tyndale's translation. No one under the rank of yeoman was allowed to read the Bible. In 1545 Henry legalized usury but limited the rate to 10 per cent. By 1546 the heavy king had grown so obese that he had to be lowered and raised up stairs by special machinery. And, according to Hilaire Belloc, in THE SERVILE STATE 93-94 (1913), by 1553: "A mass of new families had arisen, wealthy out of all proportion to anything which the older England had known, and bound by a common interest to older families which had joined the grab." The Howards, the Cavendishes, the Cecils, the Russells and 50 other new families arose upon the ruins of religion.

QUOTES FROM THE PAST

"There are easier and cheaper ways of conquering a politically incompetent nation. It can be accomplished by psychological weapons, by economic strangulation, by political chicanery, by intellectual subversion." -- William J. Lederer, A NATION OF SHEEP11 (1961).

"To seek the redress of grievances by going to law, is like sheep running for shelter to a Bramble Bush." Dilwyn

"In law nothing is certain but the expense." -- S. Butler

OTHER NEWS

A federal judge has blocked Arizona's Bible Week proclamation.

60 Minutes will air a video showing Dr. Kevorkian administering a lethal injection tonight. What's new is that he is admitting to killing a patient and wants to be put on trial. If he is put in prison he is planning to starve himself to death.

In September Mexico displaced Japan as the U.S.'s second largest trading partner. Canada is still #1.

New home starts jumped 7% in October (an annual rate of 1.695 million).

Pope John Paul II will make a pastoral visit to St. Louis, Missouri on January 26th. He will be greeted at Lambert Airport by President Clinton and will depart for Rome the following evening.

Texe Marrs reports that the IRS is auditing Christian radio stations at a rate seven time higher than other radio broadcasters. He and Wanda are founding a Bible Home Church.

Blueberries, concord grapes and cranberries are said to be the only native American fruits.

On Thursday Queen Noor of Jordan appeared at a fund-raiser for United World Colleges at the prestigious Metropolitan Club in New York (founded by J.P. Morgan the Elder and friends).

Marine Midland is giving its employees $300 gift certificates "to dress up."

James Dines, editor of the Dines Letter (Dinesletter.com), is putting his bets on the Internet and gold. He sees a coming currency weakness ahead.

Latin sovereign bonds, according to Credit Lyonnais Securities, are paying in the 10-20% range.

The 100th Israeli air raid this year on south Lebanon occurred against Hezbollah. week004.htm

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